



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Discussion and update regarding Fiscal Year 2005/06 Budget process
MEETING DATE: November 3, 2004
PREPARED BY: Finance Director

RECOMMENDED ACTION: That the City Council receive general outline of discussion regarding the Fiscal Year 2005/06 budget as per attached Exhibits and give advice to city staff for preparation of the budget.

BACKGROUND INFORMATION: City staff began discussions about the upcoming budget at the shirtsleeve meeting of October 12, 2004. The documents attached herewith were distributed to the Mayor and City Council members at that time. The discussion tonight is considered by staff to be preliminary in nature and any advice or direction given by City Council to staff will be incorporated to the extent possible in the budget policies and the budget amounts to be proposed at later dates.

City staff has scheduled shirtsleeve sessions in December of this year for further discussion of the Fiscal Year 2005-06 budget.

FUNDING: Not applicable


James R. Krueger, Finance Director

APPROVED:


Janet S. Keefer, Interim City Manager

2005-06 Budget Overview

Agenda for 10-12-04 Shirtsleeve session

1) Review City of Lodi Financial Condition

- a) Break out "other" portion of other sources and uses. (Exhibit A)
- b) \$1.3 million structural deficit and initial projection for 05-06 and future years (Exhibit A)
- c) Net cost to operate (Total department Expenditures- Direct Revenues) (Exhibit B)
 - I) Objective is to resolve deficit by decreasing net cost to operate

2) Revenue Considerations:

- a) No new revenues or revenue enhancements Impact of Citizen's sales tax initiative
 - I) Citizens sales tax initiative
- b) Local Tourism Business Improvement District
- c) 911 tax, fee (Review status)
- d) We will continue to review all fees

3) Expenditure Considerations:

- a) Pers costs, employee contribution (All are meet and confer issues)
- b) Health insurance, capping of City cost
- c) Hiring freeze continuation until ? Only a short term measure
 - I) Current status and plan for remainder of this year
- d) Develop department priorities and General Fund priorities.
- e) Develop scenarios with priorities (Exhibit C)

4) Process and Timeline Considerations:

- a) Calendar
- b) Appointment of Budget Advisory Committee
- c) All departments set priorities within each department based on core/mandatory programs
- d) Develop service level reduction plans
- e) Develop time line for implementation of reductions
 - I) Some reductions will be implemented in 04-05
 - II) Majority of reductions will be implemented in 05-06

2004-2005 FINANCIAL PLAN AND SUMMARY

CHANGES IN FUND BALANCE - GENERAL FUND

	2004-2005		2004-2005	Eliminate Other	Adjust or Eliminate One	2005-06
	Budget	Changes	Revised	Sources and	Time Revenues	Prospective Financial
			Budget	Uses	Expenses Or Transfers	Status After Elimination
						Of Temporary Items
Revenues						
Tax Revenues	21,950,230	1,881,695	23,831,925			
Licenses and Permits	1,586,115		1,586,115			
Fines and Forfeitures	763,945		763,945			
Investment/Property Revenues	776,260	(444,380)	331,880			
Intergovernmental Revenues	4,056,961	(69,000)	3,987,961			
Service Charges	2,352,060	(387,640)	1,964,420			
Other Revenue	121,235		121,235			
Total Revenue	31,606,806	980,675	32,587,481			
<u>Revenue Items Identified as Other:</u>						
Sales Taxes and Service Charges				900,000		
Property Taxes directed to General Fund					(1,881,695)	
Total Revenue after adjustments				① 33,487,481	(1,881,695)	31,605,786
Expenditures						
Operating Programs						
Public Safety	16,866,399	(678,918)	16,187,481			
Transportation	2,158,690	(31,288)	2,127,402			
Leisure, Cultural and Social Services	4,794,851	(332,863)	4,461,988			
Community and Economic Development	3,557,270	(406,055)	3,151,215			
General Government	9,476,549	(914,408)	8,562,141			
Total Operating Programs	36,853,759	(2,363,532)	34,490,227			
<u>Expenditure Items Identified as Other:</u>						
Pers Increases				189,940		
Vacancies				(520,000)		
Budget Savings				(700,000)		
Voluntary Leave Without Pay				(50,000)	(100,000)	
No cash out of Admin. Leave				(150,000)		
Employee medical premium savings				(552,700)		
Pay raises not budgeted at dept level				981,833		
Total Expenditures including adjustments as above				② 33,689,300	(100,000)	33,589,300
Revenues/Expenditures (Over/Under)	(5,246,953)	3,544,207	(1,902,746)	① - ② = (201,819) A		(1,983,514)
Other Sources (Uses)						
Operating Transfers In	6,380,227	(413,972)	5,966,255	③ 5,966,255		5,966,255
Operating Transfers Out	(4,490,867)	(828,662)	(5,319,529)	④ (5,319,529)		(5,319,529)
Eliminate Transportation Deficit				⑤ (26,790)		
Other Sources (Uses)	2,701,404	(1,027,267)	1,674,137			
Total Other Sources (Uses)	4,590,765	(2,269,901)	2,320,864	619,937 B		+ 646,727
Net Revenues, Expenditures and Transfers				A + B = 418,117		(1,336,788)
Fund Balance Beginning of the Year	3,203,841	(1,431,910)	1,771,931	I 1,771,931		2,190,048
Adjustment to Fund Balance				+ 418,117		- 1,336,788
Fund Balance End of the Year						
Reserved for Debt Service						
Designated Reserve						
Unreserved	2,547,652	(357,604)	2,190,048	II 2,190,048		853,260
Total Fund Balance	2,547,652	(357,604)	2,190,048	6.50%		2.54%

EXHIBIT A

Net Cost of General Fund Programs
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
POLICE DEPARTMENT PROGRAMS				
ANIMAL SHELTER	188,792	195,214	221,365	236,905
POLICE ADMINISTRATION	862,287	879,483	1,089,150	1,096,455
POLICE OPERATIONS	4,488,669	4,500,999	4,882,449	5,258,914
POLICE INVESTIGATIONS	2,888,536	2,966,191	3,020,854	3,289,365
CRACNET	77,912	83,672	84,385	89,135
CIME PREVENTION			5,000	5,000
AUXILIARY POLICE	3,488	1,962	7,500	7,500
HOME ALONE GRANT	3,544	1,320		
SPECIAL INVESTIGATION	2,500	5,960	5,000	5,000
POLICE DEPARTMENT TOTAL COSTS	8,515,728	8,634,801	9,315,703	9,988,274
Less amount funded with Direct Revenues	(976,996)	(951,134)	(979,185)	(1,006,765)
POLICE DEPARTMENT COSTS FUNDED WITH GENERAL REVENUES	7,538,732	7,683,667	8,336,518	8,981,509
% funded with General Revenues	88.53%	88.98%	89.49%	89.92%
FIRE DEPARTMENT PROGRAMS				
FIRE ADMINISTRATION	310,622	288,800	349,775	387,283
EMERGENCY SERVICES	3,916,261	4,107,495	4,526,871	5,102,648
FIRE & LIFE SAFETY	202,130	223,259	266,350	285,798
FIRE TRAINING	123,033	212,459	273,110	279,315
EMERGENCY MEDICAL SERVICE	22,072	20,903	88,260	91,740
FIRE DEPARTMENT TOTAL COSTS	4,574,118	4,852,916	5,504,366	6,146,783
Less amount funded with Direct Revenues	(145)	(171)	(245)	(239,285)
Less amount funded with Cost of Services Transfer		(123,312)	(105,448)	(110,183)
FIRE DEPARTMENT COSTS FUNDED WITH GENERAL REVENUES	4,573,973	4,852,745	5,398,673	5,907,498
% funded with General Revenues	100.00%	100.00%	98.08%	96.11%

Net Cost of General Fund Programs
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
PUBLIC WORKS PROGRAMS				
P. W. GENERAL ENGINEERING	1,225,146	1,177,425	1,155,883	1,288,406
WEED ABATEMENT	4,507			
P.W. GRAFFITI ABATEMENT	38,588	42,463	49,640	52,425
P. W. ADMINISTRATION	335,906	388,943	402,795	432,612
P. W. STREET ADMINISTRATION	276,846	283,814	294,261	333,273
STREET WORK FOR OTHERS	2,354	3,614	3,000	3,000
STREET MAINTENANCE	1,114,715	1,182,838	1,292,533	1,296,879
P. W. TREE MAINTENANCE	143,855	148,981	141,410	143,570
P. W. STREET CLEANING	259,457	352,915	318,905	329,040
P. W. PARKING LOT MAINTENANCE	20,057	26,219	21,640	21,640
P. W. CITY BUILDING MAINTENANCE	507,536	617,928	643,290	665,739
P.W. EQUIPMENT MAINTENANCE	1,098,274	1,141,704	1,055,974	1,058,868
PUBLIC WORKS TOTAL COSTS	5,027,241	5,366,844	5,379,331	5,625,452
Less amount funded with Direct Revenues	(522,089)	(515,302)	(375,595)	(404,220)
Less amount funded with Cost of Services Transfer	(2,302,626)	(2,340,451)	(2,452,950)	(2,452,950)
PUBLIC WORKS COSTS FUNDED WITH GENERAL REVENUES	2,202,526	2,511,091	2,550,786	2,768,282
% funded with General Revenues	43.81%	46.79%	47.42%	49.21%

Net Cost of General Fund Programs
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
PARKS AND RECREATION PROGRAMS-----REVISED 11/3/04				
RECREATION ADMINISTRATION	523,805	611,774	725,839	772,793
PARKS & RECREATION COMMISSION	1,739	165	3,185	515
RECREATION - PLAYGROUNDS	177,642	190,694	187,020	189,345
YOUTH - TEEN SPORTS	122,877	145,549	184,450	169,752
MISC INDOOR/OUTDOOR ACTIVITIES	21,580	19,731	18,155	17,302
AQUATICS	114,778	104,253	102,070	103,555
ADULT SPORTS	49,876	54,002	54,585	54,117
CONCESSIONS	17,275	29,008	19,000	19,000
PARKS ADMINISTRATION	172,039	176,455	183,960	213,146
PARKS - SPORTS FACILITY MAINTENANCE	423,106	480,100	479,362	493,203
CAMP LODI LAKE	14,045	13,935	3,150	3,150
LOCKEFORD AFTER SCHOOL	47,768	18,272		
LOCKEFORD SUMMER CAMP	12,205	4,154		
THORNTON AFTER SCHOOL	39,999	59,946		
WASHINGTON AFTER SCHOOL	8,550	40,212		
LAWRENCE/HERITAGE	137,176	102,722	110,100	43,030
PARKS - LODI LAKE PARK	150,347	165,675	201,325	205,940
PARKS - OTHER PARKS	584,574	551,837	570,415	594,742
PARKS OPERATIONS	126,690	132,466	141,485	141,190
PARKS - EQUIPMENT MAINTENANCE	114,360	121,467	128,220	113,981
PARKS AND RECREATION TOTAL COSTS	2,860,431	3,022,417	3,112,321	3,134,761
Less amount funded with Direct Revenues	(663,461)	(651,084)	(804,130)	(847,160)
Less amount funded with Cost of Services Transfer				
PARKS AND RECREATION COSTS FUNDED WITH GENERAL REVENUES	<u>2,196,970</u>	<u>2,371,333</u>	<u>2,308,191</u>	<u>2,287,601</u>
% funded with General Revenues	76.81%	78.46%	74.16%	72.98%

Net Cost of General Fund Programs
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
COMMUNITY CENTER PROGRAMS-----REVISED 11/3/04				
ARTS SPECIALTY CLASSES	61,201	73,592	56,195	58,645
LODI ARTS COMMISSION	132,704	127,464	1,780	1,720
ARTS IN PUBLIC PLACES			3,100	2,970
YOUTH COMMISSION	55,786	68,196	51,720	50,746
SENIOR CITIZENS COMMISSION	679	675	1,400	1,345
SENIOR INFORMATION & REFERRAL	81,000	93,425	86,445	90,368
HUTCHINS STREET SQUARE POOL	94,550	106,667	104,010	103,690
COMMUNITY CENTER ADMINISTRATION	292,083	308,456	291,265	282,677
PERFORMING ARTS CENTER	76,538	127,334	149,880	146,615
ARTS AND CULTURE	76,500	77,033	226,370	211,095
LODI GIFT BOXES PROGRAM	5,851	3,156	3,500	3,800
HUTCHINS STREET SQUARE MAINTENANCE	345,509	389,190	383,776	373,557
COMMUNITY CENTER TOTAL COSTS	1,222,401	1,375,188	1,359,441	1,327,227
Less amount funded with Direct Revenues	(319,326)	(410,225)	(417,790)	(439,480)
Less amount funded with Cost of Services Transfer				(3,100)
COMMUNITY CENTER COSTS FUNDED WITH GENERAL REVENUES	903,075	964,963	941,651	884,647
% funded with General Revenues	73.88%	70.17%	69.27%	66.65%

Net Cost of General Fund Programs
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS				
COMMUNITY PROMOTION	359,892	403,613	283,220	266,920
COMMUNITY IMPROVEMENT	276,471	285,710	336,416	356,203
REPAIR & DEMOLITION	9,090	10,823	35,000	35,000
ECONOMIC DEVELOPMENT	153,362	150,860	53,245	47,600
PLANNING - ADMINISTRATION	404,997	549,029	424,526	455,058
BUILDING INSPECTION	571,576	593,408	676,079	696,535
PLANNING-COMMISSIONS/COMMITTEES	4,121	5,884	6,065	5,493
FAÇADE PROGRAM	146,586	31,458		
BUSINESS ATTRACTION	1,320	(18,117)		
COMMUNITY AND ECONOMIC DEVELOPMENT TOTAL COSTS	1,927,415	2,012,668	1,814,551	1,862,809
Less amount funded with Direct Revenues	(995,585)	(1,234,605)	(1,097,960)	(1,117,730)
Less amount funded with Cost of Services Transfer	(55,720)		(126,875)	(126,875)
COMMUNITY AND ECONOMIC DEVELOPMENT COSTS FUNDED WITH GENERAL REVENUES	876,110	778,063	589,716	618,204
% funded with General Revenues	45.46%	38.66%	32.50%	33.19%
CITY CLERK PROGRAMS				
CITY CLERK ADMINISTRATION	219,940	251,583	263,592	268,254
ELECTION	800	53,747	1,000	109,750
PROTOCOL	12,277	16,411	15,000	15,000
COUNCIL	42,502	39,741	53,320	45,354
HANSON	1,739	1,536	3,000	3,000
HITCHCOCK	3,481	6,119	3,000	3,000
BECKMAN		188	3,000	3,000
HOWARD	3,323	5,414	3,000	3,000
PENNINO	4,407			
EMERGENCY PREPAREDNESS	15,327	1,208		
LAND	3,221	2,974	3,000	3,000
SISTER CITY	1,707	640	1,500	1,500
CITY CLERK TOTAL COSTS	308,724	379,561	349,412	454,857
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(69,415)	(69,415)	(65,292)	(65,292)
CITY CLERK COSTS FUNDED WITH GENERAL REVENUES	239,309	310,146	284,120	389,565
% funded with General Revenues	77.52%	81.71%	81.31%	85.65%

Net Cost of General Fund Programs
Based on 2004-05 Budget

	2001-2002 Actual	2002-2003 Actual	2003-2004 Revised Budget	2004-2005 Revised Budget
CITY WIDE PROGRAMS (NON-DEPARTMENTAL)				
DAMAGE TO PROPERTY	51,329	38,372	26,000	24,500
CITY WIDE UTILITIES	783,321	902,150	843,880	877,990
SPECIAL PAYMENTS-ADMINISTRATION	347,516	417,450	364,680	377,438
PHOTOCOPY CHARGES	37,437	26,573	24,300	24,020
TELEPHONE CHARGES	158,258	162,876	158,100	155,945
CITY-WIDE POSTAGE	215,040	241,711	260,255	246,280
CITY WIDE (NON-DEPARTMENTAL) TOTAL COSTS	1,592,901	1,789,132	1,677,215	1,706,173
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(234,693)	(555,331)	(122,930)	(122,930)
NON-DEPARTMENTAL)FUNDED WITH GENERAL REVENUES	<u>1,358,208</u>	<u>1,233,801</u>	<u>1,554,285</u>	<u>1,583,243</u>
% funded with General Revenues	85.27%	68.96%	92.67%	92.79%
CITY ATTORNEY TOTAL COSTS	280,207	308,695	386,570	364,038
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(102,619)	(108,848)	(163,276)	(163,276)
CITY ATTORNEY COSTS FUNDED WITH GENERAL REVENUES	<u>177,588</u>	<u>199,847</u>	<u>223,294</u>	<u>200,762</u>
% funded with General Revenues	63.38%	64.74%	57.76%	55.15%
CITY MANAGER - ADMINISTRATION TOTAL COSTS	400,613	425,653	431,750	412,853
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(222,260)	(231,150)	(233,870)	(233,870)
CITY MANAGER COSTS FUNDED WITH GENERAL REVENUES	<u>178,353</u>	<u>194,503</u>	<u>197,880</u>	<u>178,983</u>
% funded with General Revenues	44.52%	45.70%	45.83%	43.35%

Net Cost of General Fund Programs
Based on 2004-05 Budget

	2001-2002 Actual	2002-2003 Actual	2003-2004 Revised Budget	2004-2005 Revised Budget
HUMAN RESOURCES PROGRAMS				
HUMAN RESOURCES	394,985	347,400	387,420	389,872
RISK MANAGEMENT	88,053	164,774	166,995	172,039
TRAINING-CITY WIDE	29,190	9,547	24,765	20,312
HUMAN RESOURCES TOTAL COSTS	512,228	521,721	579,180	582,223
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(117,776)	(86,427)	(182,254)	(182,254)
HUMAN RESOURCES COSTS FUNDED WITH GENERAL REVENUES	394,452	435,294	396,926	399,969
% funded with General Revenues	77.01%	83.43%	68.53%	68.70%
INFORMATION SYSTEMS TOTAL COSTS				
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(429,410)	(584,292)	(1,211,786)	(1,211,786)
INFORMATION SYSTEMS COSTS FUNDED WITH GENERAL REVENUES	363,070	416,935	(169,974)	(150,226)
% funded with General Revenues	45.81%	41.64%	-16.32%	-14.15%
FINANCE PROGRAMS				
FINANCE ADMINISTRATION	228,623	211,640	132,672	171,936
FINANCE PURCHASING	257,945	289,024	295,915	318,582
FINANCE ACCOUNTING	477,081	545,543	540,267	582,966
FINANCE REVENUE DIVISION	628,017	648,807	705,192	749,735
FINANCE DATA PROCESSING				
FINANCE FIELD SERVICES	367,682	368,995	392,770	
FINANCE TOTAL COSTS	1,959,348	2,064,009	2,066,816	1,823,219
Less amount funded with Direct Revenues	(431,295)	(436,720)	(448,545)	(448,545)
Less amount funded with Cost of Services Transfer	(1,363,175)	(1,403,765)	(1,707,712)	(1,293,712)
FINANCE COSTS FUNDED WITH GENERAL REVENUES	164,878	223,524	(89,441)	80,962
% funded with General Revenues	8.41%	10.83%	-4.33%	4.44%
ALL DEPARTMENTS				
Less amount funded with Direct Revenues	(3,908,897)	(4,199,241)	(4,123,450)	(4,503,185)
Less amount funded with Cost of Services Transfer	(4,897,694)	(5,502,991)	(6,372,393)	(5,966,228)
ALL DEPARTMENTS COSTS FUNDED WITH GENERAL REVENUES	21,167,244	22,052,600	22,522,625	24,020,814
% funded with General Revenues	70.62%	69.45%	68.21%	69.65%

See Explanation for Columns (A) through (E) on last page of this Exhibit.

	2004-2005 Revised Budget	(A) 3.91% (1.3M/34.5M)	(B) 5.62% (1.3M/24M)	(C) 5.62% No P/S -s	(D) 5.62% 1/2 P/S -s	(E) Other
POLICE DEPARTMENT TOTAL COSTS	9,988,274	(390,956)	(504,772)		(252,386)	(252,386)
Less amount funded with Direct Revenues	(1,006,765)					25,439
POLICE DEPARTMENT COSTS FUNDED WITH GENERAL REVENUES	<u>8,981,509</u>					<u>(226,947)</u>
% funded with General Revenues	89.92%					89.92%
FIRE DEPARTMENT TOTAL COSTS	6,146,783	(240,594)	(332,009)		(166,004)	(166,004)
Less amount funded with Direct Revenues	(239,285)					
Less amount funded with Cost of Services Transfer	(110,183)					6,462
FIRE DEPARTMENT COSTS FUNDED WITH GENERAL REVENUES	<u>5,907,498</u>					<u>(159,542)</u>
% funded with General Revenues	96.11%					96.11%
PUBLIC WORKS TOTAL COSTS	5,625,452	(220,189)	(155,581)	(409,249)	(282,415)	(282,415)
Less amount funded with Direct Revenues	(404,220)					
Less amount funded with Cost of Services Transfer	(2,452,950)					143,439
PUBLIC WORKS COSTS FUNDED WITH GENERAL REVENUES	<u>2,768,282</u>					<u>(138,976)</u>
% funded with General Revenues	49.21%					49.21%
PARKS AND RECREATION TOTAL COSTS (REVISED 11-3-04)	3,134,761	(122,699)	(128,566)	(338,187)	(233,377)	(233,377)
Less amount funded with Direct Revenues	(847,160)					
Less amount funded with Cost of Services Transfer						63,069
PARKS AND RECREATION COSTS FUNDED WITH GENERAL REVENUES	<u>2,287,601</u>					<u>(170,307)</u>
% funded with General Revenues	72.98%					72.98%
COMMUNITY CENTER TOTAL COSTS (REVISED 11-3-04)	1,327,227	(51,950)	(49,718)	(130,782)	(90,250)	(90,250)
Less amount funded with Direct Revenues	(439,480)					
Less amount funded with Cost of Services Transfer	(3,100)					30,095
COMMUNITY CENTER COSTS FUNDED WITH GENERAL REVENUES	<u>884,647</u>					<u>(60,155)</u>
% funded with General Revenues	66.65%					66.65%
COMMUNITY AND ECONOMIC DEVELOPMENT TOTAL COSTS	1,862,809	(72,913)	(34,744)	(91,392)	(63,068)	(63,068)
Less amount funded with Direct Revenues	(1,117,730)					
Less amount funded with Cost of Services Transfer	(126,875)					
COMMUNITY AND ECONOMIC DEVELOPMENT COSTS FUNDED WITH GENERAL REVENUES	<u>618,204</u>					<u>(20,930)</u>
% funded with General Revenues	33.19%					33.19%

See Explanation for Columns (A) through (E) on last page of this Exhibit.

	2004-2005	(A)	(B)	(C)	(D)	(E)
	Revised	3.91%	5.62%	5.62%	5.62%	Other
	Budget	(1.3M/34.5M)	(1.3M/24M)	No P/S -s	1/2 P/S -s	
CITY CLERK TOTAL COSTS	454,857	(17,804)	(21,894)	(57,591)	(39,743)	(39,743)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer						
CITY CLERK COSTS FUNDED WITH GENERAL REVENUES	(65,292)					5,705
% funded with General Revenues	<u>389,565</u>					<u>(34,038)</u>
	85.65%					85.65%
CITY WIDE (NON-DEPARTMENTAL) TOTAL COSTS	1,706,173	(66,782)	(88,980)	(234,059)	(161,519)	(161,519)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer						
NON-DEPARTMENTAL)FUNDED WITH GENERAL REVENUES	(122,930)					11,637
% funded with General Revenues	<u>1,583,243</u>					<u>(149,882)</u>
	92.79%					92.79%
CITY ATTORNEY TOTAL COSTS	364,038	(14,249)	(11,283)	(29,680)	(20,481)	(20,481)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer						
CITY ATTORNEY COSTS FUNDED WITH GENERAL REVENUES	(163,276)					9,186
% funded with General Revenues	<u>200,762</u>					<u>(11,295)</u>
	55.15%					55.15%
CITY MANAGER - ADMINISTRATION TOTAL COSTS	412,853	(16,160)	(10,059)	(26,460)	(18,260)	(18,260)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer						
CITY MANAGER COSTS FUNDED WITH GENERAL REVENUES	(233,870)					10,344
% funded with General Revenues	<u>178,983</u>					<u>(7,916)</u>
	43.35%					43.35%
HUMAN RESOURCES TOTAL COSTS	582,223	(22,789)	(22,479)	(59,129)	(40,804)	(40,804)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer						
HUMAN RESOURCES COSTS FUNDED WITH GENERAL REVENUES	(182,254)					12,773
% funded with General Revenues	<u>399,969</u>					<u>(28,031)</u>
	68.70%					68.70%

See Explanation for Columns (A) through (E) on last page of this Exhibit.

	2004-2005	(A)	(B)	(C)	(D)	(E)
	Revised	3.91%	5.62%	5.62%	5.62%	Other
INFORMATION SYSTEMS TOTAL COSTS	Budget	(1.3M/34.5M)	(1.3M/24M)	No P/S -s	1/2 P/S -s	
Less amount funded with Direct Revenues	1,061,560	(41,551)	14,135	38,000	25,658	25,658
Less amount funded with Cost of Services Transfer	(1,211,786)					(29,289)
INFORMATION SYSTEMS COSTS FUNDED WITH GENERAL REVENUES	<u>(150,226)</u>					<u>(3,631)</u>
% funded with General Revenues	-14.15%					-14.15%
FINANCE TOTAL COSTS	1,823,219	(71,364)	(4,550)	(11,969)	(8,260)	(8,260)
Less amount funded with Direct Revenues	(448,545)					
Less amount funded with Cost of Services Transfer	(1,293,712)					7,893
FINANCE COSTS FUNDED WITH GENERAL REVENUES	<u>80,962</u>					<u>(367)</u>
% funded with General Revenues	4.44%					4.44%
ALL DEPARTMENTS	34,490,227	(1,350,000)	(1,350,500)	(1,350,498)	(1,350,908)	(1,051,760)
Less amount funded with Direct Revenues	(4,503,185)					
Less amount funded with Cost of Services Transfer	(5,966,228)					
ALL DEPARTMENTS COSTS FUNDED WITH GENERAL REVENUES	<u>24,020,814</u>					
% funded with General Revenues	69.65%	3.91%	5.62%	5.62%	5.62%	4.38%

Column A- Scenario- \$1,350,000 structural deficit is resolved with across the board expenditure reductions.

Reductions would be 3.91% of gross department expenditures (1,350,000/34,490,227).

Column B- Scenario- \$1,350,000 structural deficit is resolved with across the board expenditure reductions.

Reductions would be 5.62% of net cost of each department (1,350,000/24,020,814).

Column C- Scenario- \$1,350,000 structural deficit is resolved with reductions in non-public safety departments.

Reductions =5.62% of net cost (1,350,000/24,020,814). Public safety reductions are absorbed by non-public safety departments.

Column D- Scenario- \$1,350,000 structural deficit is resolved with reductions in non-public safety departments and partially absorbed in public safety.

Reductions =5.62% of net cost (1,350,000/24,020,814). One-Half of Public safety reductions are absorbed by non-public safety departments.

Column E- Scenario- \$1,350,000 structural deficit is resolved with reductions in all departments. The same scenario as Column D with reduced revenues.

Reductions =5.62% of net cost (1,350,000/24,020,814).